

City of Fremont Update

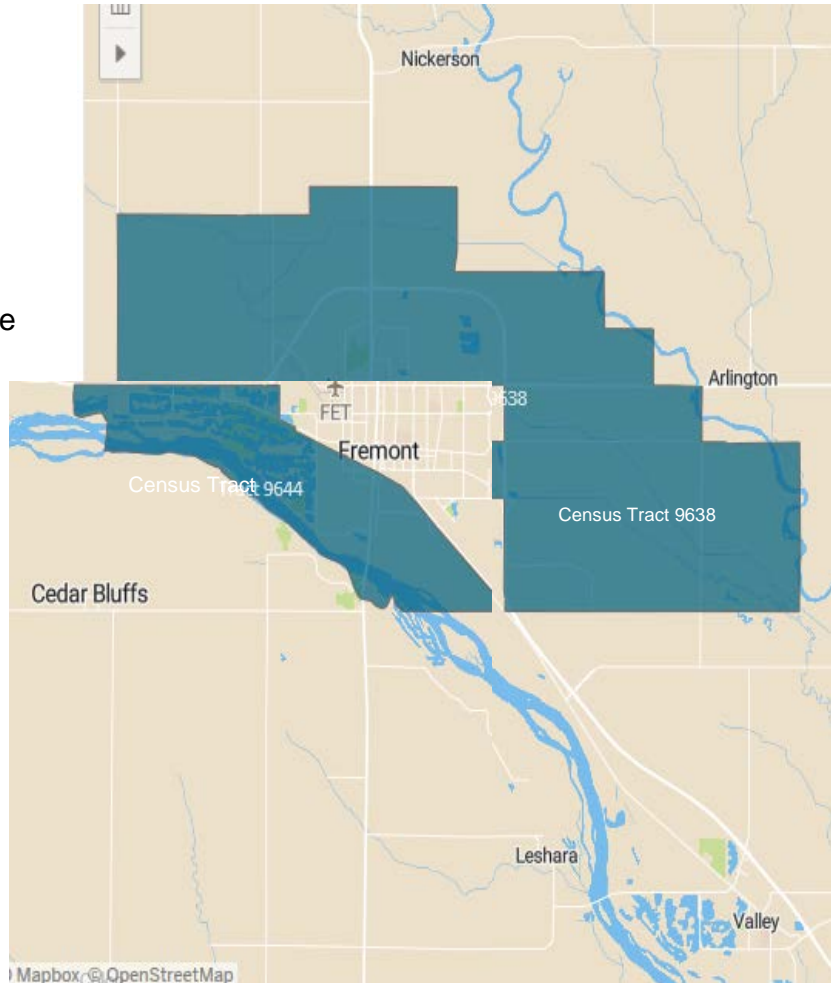
Date: January 10, 2020

To: City Employees/ City Boards/ Mayor & City Council

Opportunity Zones in Fremont—Dodge County

Congress established the Federal Opportunity Zones Program through the Tax Cuts and Jobs Act of 2017. The purpose of the program is to promote investment and drive economic growth in low-income and/or economically disadvantaged communities. The Act authorized the governor of each state to nominate a certain number of qualifying census tracts as “Opportunity Zones.” Nebraska was eligible to nominate 44 census tracts.

When the Nebraska Department of Economic Development (DED) opened up applications for opportunity zones, Fremont and Dodge County quickly responded by nominating census tracts 9638 and 9644 (see the map on the right). In



total, DED received 34 opportunity zone applications comprising 107 eligible census tracts. Of the 107 eligible tracts, Governor Ricketts nominated 44, including both of Fremont and Dodge’s tracts. The U.S. Treasury confirmed the 44 tract nominations in Nebraska on April 9, 2018.

What are some of the benefits of an opportunity zone? Generally, they spur economic development by providing tax benefits to investors who invest in an opportunity zone. First, an investor can defer tax on any prior gains if they invest in a qualified opportunity zone. If the investment is held for longer than 5 years, there is a 10% deduction in the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment for at least 10 years, the investor is eligible for an even larger deduction in the deferred gain.

Is there an investor proposing to invest in an opportunity zone in Dodge County? Yes, several developers have expressed an interest in investing in an opportunity zone. Hoppe Homes, for example, has publically said they plan to use the opportunity zone tax credits associated with their investment in the Bluestem Commons housing development. The proposed housing development is located on North Luther Road, across the street from the undeveloped portion of Ritz Lake, which is in the opportunity zone, census tract 9638.

Annual Truck Testing

Each year the City hires a third party inspection company to test our trucks. This year, and for many years, we used American Test Center, from River Falls, Wisconsin. They test the City’s bucket, digger derrick, and mobile crane trucks. In total, they tested 15 trucks for us. Some of the tests include structural tests (to look for stress cracks in the chassis and aerial device), dielectric checks (to be sure the fiberglass can withstand high voltage), loading measurements (to make sure the truck can handle heavy loads according to its specifications), and hydraulic tests (to test the performance of the pump and make sure the lines are not leaking). The tests do not guarantee the truck will not break down, but it certainly helps to prevent equipment failures. It is also a good tool to measure how well the truck is being used and maintained.



Self-imposed Cold Weather Rule in Effect

Although municipal utilities in Nebraska are not required to abide by a cold weather rule (a rule prohibiting utilities from disconnecting gas or electric service due to nonpayment of a utility bill during times of cold weather), we abide by our own self-imposed rule—we do NOT shut off delinquent customers when the temperature dips below 21-degrees. In most states where a cold weather rule has been adopted, utilities are either required to give delinquent customers more time to pay or are prohibited from shutting off service during winter months.

While a cold weather rule can protect delinquent customers from winter shutoffs, it also leaves utilities with massive amounts of unpaid accounts. Moreover, when spring comes, many of these accounts remain in arrears when customers, now faced with large unpaid balances, simply skip town. In the end, it is the good-paying utility customers that are left holding the bag, because all of the unpaid balances are collected in time through higher rates.

Delinquent Debt in America

Nearly one-third of American consumers have delinquent debt. Nationwide, 31% of people had debt collections in 2018. The median debt was \$1,639. However, despite how shocking these numbers appear, the share of consumers with delinquent debt is actually going down. Here is how delinquent debt in Nebraska and specifically Dodge County compares to nationwide numbers:

Share of Debt in Collections		
Nationwide	Nebraska	Dodge County
31%	20%	20%

There is no job so important and no service so urgent that we cannot take the time to do the work safely!